

P 101255Z JUN 09
FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC PRIORITY 0013
INFO HAITI COLLECTIVE PRIORITY
AMEMBASSY SANTO DOMINGO

UNCLAS PORT AU PRINCE 000548

STATE FOR WHA/EX AND WHA/CAR
S/CRS
SOUTHCOM ALSO FOR POLAD
STATE PASS AID FOR LAC/CAR
INR/IAA
WHA/EX PLEASE PASS USOAS

E.O. 12958: N/A

TAGS: [ECON](#) [ENRG](#) [EAID](#) [EAGR](#) [EINV](#) [ETRD](#) [BEXP](#) [HA](#)

SUBJECT: HAITI ECONOMIC WEEKLY UPDATE FOR MAY 30 TO JUNE 5, 2009

¶1. (U) Summary. This is a weekly report on a variety of topics of interest which do not merit full reporting cables. End summary.

¶2. (U) FIRE CREATES ELECTRICAL SHORTAGE. A fire severely damaged the EDH substation in the Delmas section of Port-au-Prince. Eight major electrical circuits in the city were affected; approximately 500,000 people were without electrical power. Repair efforts have restored power to 90 percent of the impacted consumers.

¶3. (U) GAS STATIONS NOW UNDER HAITIAN OWNERSHIP. The U.S.-owned Chevron oil company sold 58 Texaco gas stations to the Haitian-owned National. The Gilbert Bigio Group owns 50 percent of National and Unibank owns the other 50 percent.

¶4. (U) GOH TAKES MEASURES TO PREVENT H1N1 VIRUS CONTAMINATION. The Ministry of Health implemented controls at the border after the H1N1 virus surfaced in the Dominican Republic. Quarantine restrictions are in place in Belladere and Ouanaminthe and a technical team was sent to Malpasse. Controls have been enacted at the ports and airports around the country, but to date no cases have been identified in Haiti.

¶5. (U) WORLD BANK APPROVES NEW DEVELOPMENT PLAN FOR HAITI. The World Bank approved a new Country Assistance Strategy (CAS) in Haiti for 2009 to 2012. The CAS will provide USD 121 million to promote growth and local development, invest in human capital (particularly education), and reduce vulnerability to disasters.

¶6. (U) CENTRAL BANK LOWERS INTEREST RATES AGAIN. In an effort to boost overall credit, the Central Bank of Haiti (BRH) lowered interest rates for the second time in five weeks. The interest rate on the 7-day bond decreased from 4 to 3 percent, the 28-day bond from 5.5 to 4.5 percent, and the 90-day bond from 7 to 6 percent. The refinancing rate decreased from 17 to 8 percent. During the 3rd quarter, there was a weak recovery in the credit in Haitian gourdes compared to the 2nd quarter which increased by 2 percent after months of decline.

¶7. (U) VENEZUELA GRANTS FERTILIZER FOR AGRICULTURAL PRODUCTION. The GoH Ministry of Agriculture and the Venezuelan government are marketing and distributing one thousand tons of chemical fertilizer to increase food production in the irrigated plains and mountains of the Artibonite Valley.

¶8. (U) GOH INCREASES FUEL PRICES. The Minister of Finance announced a price increase for 91 and 95 octane gasoline due to the rising prices on the international market. The price of gasoline 91 rose 12 percent from HTG 146 to 163 (USD 3.58 to USD 4.00), and gasoline 95 is up 11 percent from HTG 151 to 168 (USD 3.70 to USD 4.12).